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UNCLAS SECTION 01 OF 05 KUWAIT 002823

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SUBJECT: DART: UPDATE OF WORK AT THE PORT OF UMM QASR

SUMMARY

1. The Iraqi Director of Ports is very concerned about security in the port and is frustrated by his lack of knowledge about what is occurring at the port. Bechtel's large dredger, the Carolina, is to finish dredging berth 10 (bulk grain facility) on 18 June. It will then turn its dredging efforts to the new port. U. N. Development Programs (UNDP) began dredging operations at the old port on 11 June. Daily maintenance dredging will be required once the initial dredging operations are completed. Bechtel has begun cleaning the grain silos and is doing repairs. However, due to continual setbacks, Bechtel is leery of giving a start date for the use of the grain facility, but hopes for end of July. Twelve major wrecks have been identified under the Umm Qasr waterways. Ten need to be removed, but additional wreckage is continually being identified. Port workers have received April salary payments and should soon also receive May and June payments. Increased looting from recent ship arrivals of U.N. World Food Program (WFP) food has occurred. There are currently 84 security guards at the port, however they are not armed and there are no current plans to arm them. In addition, it has been decided to train 300 Iraqi ex-navy and ex-coast guard to provide security at the new and old ports. They will be uniformed and armed, and their start date is hoped to be 20 June, which coincides with the arrival date of several WFP-contracted vessels to the old port. 16 June marked the opening of the port to commercial traffic. End Summary.

BACKGROUND

2. The weekly port meetings of 5 and 12 June in Umm Qasr were co-chaired by Stevedoring Services of America (SSA) and the Iraqi Director of Ports, who was elected by the port workers in mid-April. Also in attendance were British military officials, Bechtel, Office of the Coalition Provisional Authority (OCPA)/Lower South, Naval officers from the Bahrain Naval Station, WFP, the Chairman of the Umm Qasr Local Council, USAID, and USAID/DART Chief Food Officer.

3. On 5 June, The Director of Ports opened the meeting, expressing two priority concerns. The first was security at the port. He said that Bechtel has had things stolen and that the Iraqi police have lost confidence, as they have no way to control the looters and have no means of communication. His second concern was repairing the marine vessels at the port, such as the tugboats and channel cutter.

4. On 12 June, the Iraqi Director of Ports said that the port used to function well and the various workers knew their jobs. Now he is frustrated, as he said he does not know what is going on at the port. There is no revenue coming in for him to pay salaries or make upgrades. (Note: The lack of resolution over the port fees charged by SSA affects the lack of revenue coming to the port. End Comment.)

DREDGING

5. Bechtel reported that the "Carolina," which is the very large dredger, continues its work at the bulk grain facility, berth 10. When finished, it will have dredged a

channel 300 meters long, 50 meters wide and 12.5 meters deep. At the berth itself, the depth will be dredged to 13.5 meters. Bechtel anticipates completing the job on 18 June. At berth 10, Bechtel has found large objects under the water, but they are deeper than 13.5 meters so will not affect ships coming into port. Bechtel is using the one Iraqi dredger out of five that is working, the Ramalah, as a "washing" tool to clear away other debris at berth 10.

16. On 19 June, Bechtel plans to begin dredging the new port. It will begin with berths 20 and 21 and dredge to a depth of 12.5 meters. When finished dredging the berths, Bechtel has recommended to USAID/Asia Near East Bureau (ANE) that it continue to dredge the full length of the new port, a swath 200 meters long and 12.5 meters deep, which would take five to six months to complete. There is one wreck under this channel that is one of the wrecks to be removed by UNDP's contract with the Turkish company, but Bechtel said that it could dredge around the wreck if UNDP has not removed it in time. Bechtel is awaiting approval from USAID/ANE for this last piece.

17. Bechtel was originally contracted to also dredge the berths at the old port but reported that USAID removed the old port from its scope of work (SOW). Bechtel has been told that U.N. Development Program (UNDP) received funding from the Japanese to dredge the areas at the old port, however it is Bechtel's understanding that the contract is to dredge to a depth of 9.5 meters, which already exists. Unfortunately, no representative from UNDP was at the meeting to clarify this point or give a start date for the UNDP dredging. Subsequently, DART was successful in contacting UNDP. UNDP reported to DART that it intends to dredge all berths at the old port and work began on 11 June.

18. Before the war, the Iraqis had five dredgers at the port. Bechtel has surveyed the functionality of the dredgers and has determined that two should be scrapped for parts, two need a complete overhaul, and one is in good condition and currently working, the Ramalah.

19. After all the dredging is completed, daily maintenance dredging will be required in the port.

GRAIN FACILITY AT UMM QASR

10. Bechtel also has the responsibility to clean and repair the silos that are part of the grain facility (berth 10) at the port and reported on 5 June that work is "behind." The silo complex is huge, with 24 silos, located in between the new and old ports and comes under the management of the Ministry of Trade Grain Board, rather than the Ports Management. Bechtel reported that it has two emergency generators at the silo. One works well and can power the silo, but is insufficient for continual use. Generator power at the silo is required, as Bechtel said that power from the sub-station will take "quite awhile to repair." 26 additional generators were to arrive 13 June, and will be used for the grain facility and to power new lights at the old port (lights have been provided by WFP).

11. Even though cleaning of the silos had begun several weeks ago, the original plan failed. Nevertheless, Bechtel is again moving forward with cleaning the silos and making repairs. Bechtel has hired an Iraqi company for the cleaning and anticipates that it will take approximately two weeks to complete. (Note: The cleaning of the silo is a pre-requisite to its use. End Note.)

12. Sabotage at the silo has been a continued problem. About two weeks ago, circuit breakers were removed in a strategic manner so Bechtel halted the repairs for a few days. During a visit with USAID Administrator Natsios on 16 June, Bechtel stated that no looting had occurred in the last week. Bechtel had hoped the grain facility would be ready to receive grain by early July. However, with continual setbacks Bechtel is now predicting end July, but hesitates to give any date.

RECOVERING WRECKAGE UNDER THE WATER

13. Bechtel reported that twelve major wrecks have been identified under the Umm Qasr waterways. Two are at berth 10 and deep enough as not to be problematic. Bechtel has sub-contracted Titan Maritime to remove five of the wrecks, and UNDP has the contract for the other five. Bechtel said, however, that if UNDP did not move swiftly enough in removing them, that Bechtel would have its sub-contractor do the job. Additional wrecks are continually being identified.

SALARY PAYMENTS

114. On 4 June, provision of salary payments to the port workers for the month of April was completed. By 15 June, CPA/Lower South anticipates providing payments for May, and hopes to give out June salaries by the end of the month. These payments are in addition to the 20 USD emergency payments.

115. Because the silo workers come under the MOT's Grain Board, those workers have not yet been paid, as the list had just been compiled and given to CPA/Lower South prior to the 5 June port meeting. (Note: It was said after the meeting that the silo workers would prefer to come under the management of the port instead of the Grain Board(GB) because they consider the GB to be corrupt. End Note.)

SECURITY

116. Security remains a major problem at the port, and during the last two days of discharging the M/V Orbit, the looting intensified. On 10 June, WFP told the DART that looting of broken food bags had started with the recent discharge of WFP ship M/V Nanking (which arrived 2 June) and continued with the M/V Orbit. It intensified however during the night of 9 June when a truck came in and loaded up five to eight MT of wheat flour. Subsequently, during the day on 10 June, the looting further increased when men, armed with pistols and grenades, carried away whole bags of wheat flour from the M/V Orbit in broad daylight. No one dared to do anything to stop them as the stevedores were frightened. (Note: The M/V Orbit departed on 11 June. End Note.)

117. During the 5 June meeting, the Director of the Ports had said that security was his number one concern, which was later echoed by the Chairman of the Local Council, saying that it is the "key to achieving everything."

118. SSA stated that security inside the port was its responsibility under the USAID contract and the perimeter security came under the responsibility of the Coalition forces, but that this would end 22 June. (Note: Even though it was stated that the Coalition currently held the responsibility for providing perimeter security at the port, it was not clear that this responsibility was wholly fulfilled. End Note.) Post 22 June, it is uncertain who has the responsibility for perimeter security. The meeting attendees felt that CPA and USAID needed to discuss the matter. When DART visited the port on 12 June, no semblance of security was witnessed at the old port, including none at the entrance gate.

119. There are currently 84 security guards at the port, however they are not armed and there are no current plans to arm them. Their job is access control at the port. 60 of the 84 were trained by the British. SSA will now assume the duty of training the remaining 24, as well as new hires. The plan is to increase the force to 250. The Deputy Ports Manager said that it was not just a matter of training the guards, but also of hiring the right men, as "some were malicious." 50 ex-navy police have recently been transferred to provide security at the grain facility and CPA is trying to arm them. In addition, one gentleman at the meeting announced that armed port police were now providing gate security, however neither SSA, the Ports Director, nor the British regiment knew anything about them, which puzzled the entire group.

120. On 11 June, a meeting was held at the port, chaired by SSA, to discuss security measures. Also in attendance were the Iraqi port management, British military, and WFP. It was decided to train 300 Iraqi ex-navy and ex-coast guard to provide security at the new and old ports. They will be uniformed and armed, and their start date is hoped to be 20 June, just in time for the arrival of six WFP-contracted vessels over one week's time which will berth at the old port.

MISCELLANEOUS

121. Bechtel plans to begin the survey of the channel very soon and estimates that it will take 14 days to complete. Following completion of the survey, Bechtel will tender for required work.

122. Bechtel has completed its assessment of the primary port building. The assessment is with USAID awaiting approval to proceed with the work.

123. Also in Bechtel's SOW is the repair of marine vessels, such as the pilot cutter and tugboats. As stated above, this work is a priority of the Director of the Ports.

COMMERCIAL TRAFFIC

124. The port ceremonially opened to commercial traffic 16 June with a ribbon-cutting ceremony led by USAID Administrator Andrew S. Natsios and Ambassador Olsen of CPA/Lower South. SSA states that humanitarian assistance shipments will remain their number one priority, even after commercial shipments begin. No customs will be charged throughout 2003, but customs checks will be made for contraband and unmanifested cargo.

URBANCIC